



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

NOV 5 2004

DAIM-ZA/CEMP-II

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Guidance for Bid Additives and Bid Options for MILCON, Army Projects

1. Reference:

a. AR 415-15, 4 Sep 98, "Army Military Construction Program Development and Execution", Sections 5-11 and 5-17.

b. Memorandum, DAIM-FD/CEMP-MA, 26 Jun 01, subject: Guidance for Bid Additives and Bid Options for MILCON, Army Projects.

2. The purpose of our memorandum is to clarify approval requirements for bid additives and options in reference 1.a, as well as to request your cooperation in ensuring the referenced Army Regulation is followed with respect to providing full scope and complete and usable facilities. This memorandum reiterates our 26 Jun 01 memorandum and provides clarification to required approvals since the inception of the Installation Management Agency (IMA) for bid additives and options until the revision to AR 415-15 is approved and published.

3. We must ensure additives or options proposed for a solicitation do not preclude construction of a complete and useable facility in the event funding is insufficient to award them. Options or additives included in a solicitation should be identified during the design process as risk mitigating cost measures and must be approved by the IMA regional directorate, installation, and user prior to solicitation. The appropriate users' MACOM must also approve for non-base operation projects (mission projects). USACE is responsible for obtaining approvals as the executing agent for the Army Military Construction Program.

4. Section 2853 of 10 United States Code directs that any reduction in scope of more than 25 percent requires formal Congressional notification. Any options or additives that are part of a solicitation that impact scope must not total more than 25 percent of the authorized project scope without approval by ACSIM.

5. We continue to see instances where MILCON projects are submitted for post-award cost increases, which require Army Secretariat or Congressional approval because items originally identified as additives or options were ultimately required for a complete and usable facility. Besides being contrary to the referenced Army policy, the Army

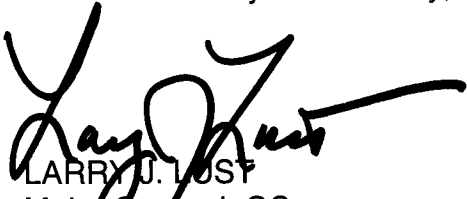
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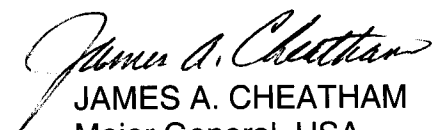
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Secretariat and Congress view such actions as pre-decisional and have directed that action be taken to avoid such occurrences.

6. We request your cooperation to ensure compliance with these requirements.

7. OACSIM POC is Ms. Andy Shoulders, DAIM-FDC, (703) 604-1454. HQUSACE POC is Ms. Maryann Delaney, CEMP-II, (202) 761-5775


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